


MEMORANDUM FOR: NIO/NESA

SUBJECT: Warning Brief on Algeria

My staff and I remain dubious that Bendjedid can make meaningful progress in resolving Algeria's deep-seated problems without further using the military in a repressive way. He may weather the current disorders, but the fault lines in Algeria society remain deep and FLN hardliners are still intact. Please let me know what you think of this piece.


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ALGERIA: Reversal of Bendjedid's Reforms?

The National Intelligence Officer for Warning believes that President Bendjedid's position--in wake of the recent widespread unrest and violence in Algeria--is weaker than generally assessed by the Intelligence Community. Bendjedid's efforts to resolve Algeria's problems do not address the root causes of popular discontent, and he faces continuing opposition from longtime party "militants" on the left as well as a growing threat from Islamic fundamentalists on the right. His plans for political reforms suggest a high-risk strategy directed at neutralizing political opponents but, in the view of the NIO for Warning, they do not address the contradictions inherent in Algeria's political system.

Although order has been restored for now, Bendjedid has less room ^{to} maneuver than before and virtually no resources ^{to} ~~for~~ satisfying the demands of the people. There are growing prospects that his market-oriented economic reforms will not last beyond an initial trial period, and further civil disorder and violence will occur.

In the recent disturbances, much of the violence was perpetrated by the large numbers of urban unemployed youths who want jobs and more abundant food and consumer goods, ^{who} and blame the government for the country's severe economic woes. Fundamentalist Muslims--although poorly organized--have also sought to

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exploit the unrest to pressure the government to become less secular and to return to Islamic traditions.

Hardline party and military leaders, who served in key positions during the Algerian revolution, have endeavored to use the unrest to gain greater leverage over the President with the objective of ultimately forcing change in his policies. Some of the regime's military leaders may be colluding directly with socialist party hardliners in an effort to reverse the reform program. Important old guard officers have been concerned that the pro-Western drift of policy could jeopardize ties with the Soviet Union and have been upset by their loss of privileges under Bendjedid's austere economic reform program.

Bendjedid, evidently unaware of the extent of popular discontent, may have inadvertently contributed to the recent disorders. In a speech on 19 September, he frankly acknowledged serious economic and social problems, a development that was considered by many as an admission of failure and as an invitation to protest. ^{Moreover,} Bendjedid's indecision in handling the protests, ~~however,~~ appear^s to have contributed to their expansion and violent turn.

Bendjedid has few options for coping with the popular demands. Algeria's reserves are depressed along with the prices for oil, the country's main export industry. Drought and a swollen, inefficient bureaucracy have prevented improvements in agriculture and other primary industries. Considering Algeria's heavy foreign debt, external assistance--already offered by Saudi Arabia--is at best a temporary fix.

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